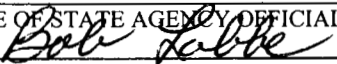
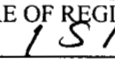
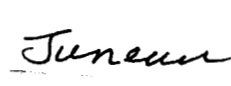


WEISMAN

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 02-003	2. STATE: Alaska
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES APR - 2 2002		4. PROPOSED EFFECTIVE DATE: January 1, 2002	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1905 of the Social Security Act (a) and (r)		7. FEDERAL BUDGET IMPACT: a. FFY <u>2002</u> \$ <u>400,000</u> b. FFY <u>2003</u> \$ <u>400,000</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attached sheet to ATTACHMENT 3.1a Page 3 Attachment 4.19-B Page 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attached sheet to ATTACHMENT 3.1a Page 3 Attachment 4.19-B Page 9	
10. SUBJECT OF AMENDMENT: Attached sheet to ATTACHMENT 3.1a Page 3 Under item 9 adds Renal Disease physician clinics; Attachment 4.19-B Page 9 adds End Renal Disease Physician clinics			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Does not wish to comment			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: Bob Labbe		Division of Medical Assistance	
14. TITLE: Director, Division of Medical Assistance		P.O. Box 110660	
15. DATE SUBMITTED: March 27, 2002		Juneau, Alaska 99811-0660	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: APR - 2 2002		18. DATE APPROVED: JUN - 4 2002	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN - 1 2002		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Banner Butterfield		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR	
23. REMARKS:		DIVISION OF MEDICAID AND STATE OPERATIONS	

3/27 

Description of Service Limitations

9. **CLINIC SERVICES:** "Clinic Services" means services provided by state-approved out-patient community mental health clinics that receive grants under AS 47.30.520--47.30.620, state-operated community mental health clinics, and mental health physician clinics. Ambulatory surgical clinic services and renal disease physician clinics are provided as separate services.
10. **DENTAL SERVICES:** Dental services for recipients age 21 and older are limited to emergency treatment for the relief of pain and acute infection.
- 11.a-c. **PHYSICAL THERAPY AND RELATED SERVICES:** Physical therapy, occupational therapy and speech pathology/audiology services are provided upon the order of a physician, advanced nurse practitioner, or other licensed health care professional within the scope of the practitioner's license.
- 12.a. **PRESCRIBED DRUGS AND DEVICES:** The following prescribed drugs are included:
- (1) drugs which require a prescription, except for those drugs specifically excluded;
 - (2) a compounded prescription, provided that at least one ingredient requires a prescription for dispensing;
 - (3) except for a recipient in a long term care facility or an intermediate care facility for the mentally retarded, a drug that has been prescribed even if that drug may be sold without a prescription:
 - (A) laxatives and bismuth preparations;
 - (B) vaginal antifungal creams and suppositories;
 - (C) prenatal vitamins for pregnant and nursing women;
 - (D) nonoxynol 9 contraceptive creams, foams, gels, and sponges;
 - (E) respiratory saline products;
 - (F) bacitracin ointment;
 - (G) ferrous sulfate and ferrous gluconate in non-sustained release forms;
 - and
 - (H) debrisin and compounds for decubitus ulcers that contain sugar, provide iodine, or aluminum chlorhydrate;
 - (I) insulin and insulin syringes; and
 - (4) growth hormones, if prior authorization has been obtained from the division, and only if they are prescribed for a medically accepted indication for the treatment of children.

The following drugs are not covered:

- (1) drugs used to treat infertility, obesity, and for cosmetic purposes;
- (2) drugs that are prohibited from receiving federal Medicaid matching funds under 42 CFR 441.25, as amended October 1, 1981;
- (3) drugs, except for birth control drugs and drugs listed in (a)(5) of this section if dispensed in an unopened container, for which more than a 30-day supply is ordered per prescription;
- (4) smoking cessation products;
- (5) drugs used for the symptomatic relief of coughs and colds;

TN No. 02-003

Approval Date _____

Effective Date: January 1, 2002

Supersedes TN No. 99-001

**Methods and Standards for
Establishing Payment Rates: Other Types of Care**

Private Duty Nursing for Children Under 21

Payment for private nursing is the lesser of amount billed the general public or \$80 per hour for registered nurse services and \$75 per hour for licensed practical nurse services. Hours must be justified in a physician-approved plan of care, must be less than 24 hours per day, and cannot, when added to the other Medicaid services used by the child, exceed the cost of institutional care.

Radiology Services

Payment for radiology services provided by independent radiology facilities is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. The state assures that the requirement of 42 CFR 447.325 regarding upper limits of payment will be met.

Renal Dialysis Physician Clinics

Services are reimbursed at the amount billed the general public not to exceed the Medicare Upper Payment Limit as noted in 42 CFR 447.325.

Residential Treatment for Children Under 21

Payment to a non-profit facility accredited by JCAHO for residential treatment of emotionally disturbed children is an all-inclusive daily rate established by the department.

Respiratory Therapy Services

Payment for respiratory therapy services is made at the lesser of the amount billed the general public or the state maximum allowable.